



**ENVIRONMENTAL SERVICES UTILITY
BOARD MEETING
FEBRUARY 21ST, 2023
SUMMARY OF MINUTES**

The meeting for Kankakee Environmental Services Utility was held on Tuesday, February 21st, 2023 at 5:30 P.M. in the Public Safety Building.

ESU Board Members Present

Mayor Chris Curtis
Clerk Stacy Gall
Ald Carmen Lewis
Ald Mike Prude
Ald Mike O'Brien
Ald Kelly Johnson
Ald Reginald Jones

ESU Staff Present

Clara Hall, Tech Ops Mgr
Zach Newton, GIS/Ops Mgr
James Lopez, DPW Ops Mgr
Frank Hasik, DPW Ops Mgr
Ryan McGinnis, Lab Ops Mgr
Elizabeth Kubal, Comptroller

Additional Present

Ald Lance Marczak

CALL TO ORDER

MAYOR CURTIS:

The Environmental Services Utility Board meeting is called to order for Tuesday, February 21st, 2023. Are there any public comments? Hearing none we will move on to Section two, which is Roll Call.

ROLL CALL

CLARA HALL:

Ald Lewis - Present Ald Swanson – Absent
Ald Prude – In Late Ald Johnson - Present
Ald O’Brien - Present Ald Jones - Present
Ald Osenga – Absent Clerk Gall – Present
Mayor Curtis - Present
PRESENT: 7 IN LATE:1 ABSENT: 3

APPROVAL OF MINUTES

MAYOR CURTIS:

We have a quorum. Motion to approve the minutes from Tuesday, January 17th, 2023. Do I have a motion to approve?

ALD LEWIS:

I will make that motion to approve the minutes.

ALD JOHNSON:

Second.

MAYOR CURTIS:

Motioned by Alderwoman Lewis and Seconded by Alderwoman Johnson. Any questions, comments, changes. Additions to the minutes. Hearing none, Roll Call.

CLARA HALL:

Ald Lewis - Aye Ald Swanson – Absent
Ald Prude – In Late Ald Johnson – Aye
Ald O’Brien - Aye Ald Jones – Aye
Ald Osenga - Absent Clerk Gall- Aye
AYES: 5 NAYS: 0

APPROVAL OF BILLS

MAYOR CURTIS:

Minutes are approved. Thank you. Next on the agenda is the approval of bills and the total amount of \$954,505.71 for February. Do I have a motion?

ALD LEWIS:

So move.

ALD JONES:

Second.

MAYOR CURTIS:

Motioned by Alderwoman Lewis and seconded by Alderman Jones to approve the bills. Are there any questions? Hearing none, Roll Call.

CLARA HALL:

Ald Lewis - Aye	Ald Swanson – Absent
Ald Prude – In Late	Ald Johnson – Aye
Ald O’Brien - Aye	Ald Jones – Aye
Ald Osenga - Absent	Clerk Gall- Aye
AYES: 5	NAYS: 0

MAYOR CURTIS:

Bills are approved. We are going to move on to Item 5 that is the monthly reports. We will start with Mr. Lopez would you like to give us some highlights?

JAMES LOPEZ:

Everything's in the report. With a mild winter we've been able to do a lot of pothole repairs. As you see, we rented a second one that allowed two crews to go up and down every street. If you have seen any that we have missed please contact us. We have a dedicated crew out now. We've been able to do a lot of work on empty lots, picking up trees. The weather has been so nice it hasn't allowed us to actually get equipment on lots because we would tear them up. I don't want to say this but I'm hoping for some cold days that we can start doing some (*inaudible*) rather than lots. We finished a part of the salt shed? We got a little bit left but I want to thank Zach and Jim Hand for a great job over there and also to Clara and her team. She's always there for us. They're going to be running lights to it eventually and she does a lot with just two people. And I want to thank her for that and also the sewer crew. And so that's all we got.

MAYOR CURTIS:

Is there any questions for Mr. Lopez? You may be the only one hoping for cold.

JAMES LOPEZ:

I have to rent the machine to do the retention ponds.

MAYOR CURTIS:

We just talked about that today that you can't get there and do the work that you want to do with the hard ground. We understand that.

JAMES LOPEZ:

It's a good thing. Maybe we'll have a dry you know, couple of hot days. In the summer we couldn't get the machine dried out.

MAYOR CURTIS:

Okay, thank you Sir. Okay, next we have Technical Services report. I'm gonna give Miss Hall a break. Her voice is kind of going out tonight. And your reports in front of you. Does anyone have any questions for Mr. Hall? We're gonna let her voice recover tonight unless you have

some particular questions. I will echo the same thing. Her department they've had a lot of things going on right now. Doing a lot of work. The nice weather has probably allowed you to get some extra things done on the outside that would normally be more difficult in the winter. I think it's with everybody. So, I appreciate you and your team getting a lot of those extra things done that you normally couldn't get done in the winter season. So, it's good. Alderman Jones?

ALD JONES:

Thank you for the light that was done over on Fairmont. I just want to tell you, thank you, I appreciate you.

MAYOR CURTIS:

I'll give a quick update for you. Miss Hall has basically been working with her team where they're going to be inspecting after hours when the sun goes down, checking on streetlights that are out in the entire community. Still, if you see one, ideally report it, whether it's to her office, if you want to report it to David in my office, we'll figure out if it's a Com Ed issue or if it's a city issue, but they are being proactive on using some flex hours and some different things to drive around after hours and try to get ahead of that. Alderman Prude?

ALD PRUDE:

Yeah, I just want to acknowledge the work that Miss Hall have done for Black History in the hallway and stuff. I think it was an excellent job and she's always taking care of us when it comes into season. So, I think we need to recognize it for her for the work that she's done.

MAYOR CURTIS:

I wanted to make sure we did that because it was very impressive to walk up and see that. It looks like you got like a little photobooth going on there. But thank you for doing this. What you guys are doing in all seasons and all the events and everything is outstanding! Makes the city we're proud and to have some pride. So, thank you. Okay, we'll move on next to the next utility services report. Mr. Newton.

ZACH NEWTON:

It was another good solid month of proactive preventative maintenance in area cleaning four and a half miles. We had another good rain event that we could chart on the flow meters so that some good data we got there. Hopefully in the spring when those fixes come in. We won't see those spikes anymore. But I'll keep you posted. We officially filed with FERC for our licensing for the hydro. So,

everything that was done before that was the pre-licensing. Now from here on out the next six eight years is all the work that we do for the license itself. So now the fun begins. It'll be a lot of hurry up and wait at this point from FERC. They'll kind of dictate it from here. They want some kind of studies. They'll let us know. They're supposed to let us know I believe within 60 days whether they've accepted our application. I have no reason to think that they won't. I did request that they would let us know that 30 days, but they're short staffed and all that so it'll probably be closer to 60 days. But again, I have no reason to think that they won't accept our application. Other than that building maintenance has been busy. The one of the latest projects that we're working on right now is painting Public Safety building here down in the police department. But yeah, other than that, it's been it's been a good month.

MAYOR CURTIS:

Any questions for Zach? Okay, thank you. Next, we'll move into our Lab Services report. Mr. McGinnis, would you like to lead us through that?

RYAN MCGINNIS:

There is even not a whole lot to report the lab for a pretty smooth and we are working through a few issues with a couple of the industries that you see in your packet either be there were a few exceedances of the local limits. However, we've resampled those and those are back in compliance so no expected ongoing issues there. Additionally, financials can speak more to this but historically we are higher than you were last year in terms of sewer billing. So, no, that was a concern we have talked about with some of those industries dropping off some of those charges, but we're still overall higher than last years.

MAYOR CURTIS:

Any questions for the Lab Services department. I will say same thing with Ryan mentioned these is dealing with a couple of industries that will just look a little bit problematic in some of their discharge and some other things and so he's been very active and communicating with them, working with them and trying to come up with a plan and it'll be an ongoing process. But I do thank you for you and your team. Being proactive there and trying to get things on the right path. You should have had handed out to you the financials. We will go over those now. And I'll turn this over to Comptroller Kubal, if you'd like to lead us through.

FINANCIALS

ELIZABETH KUBAL:

Thank you, Mayor. I'm in front of you of financials for nine months or the end of January, which of course takes us to the 75% target for the year. We are still as I alluded to last month we are making cleanups and just making some systematic changes to make some items just fit our business better from an accounting perspective. So, in the expense side it looks as it always has. You've got all the salary information and expenditures and all the departments have really done a fantastic job. There's just been a really good year of a lot of constant effort. With watching expenditures in the first session with administration. A couple things to highlight is in the month of January, as you well know if you have a business or have ever worked in this type of world, we start paying a lot more in unemployment in the month of January because it's a fresh year. So, you will see that that cost has gone up quite a bit and it will for the first quarter of this year. We talked about this at the budget committee meeting as well. There were some costs along the way there but the one thing I wanted to highlight is that we did get the entries in for the capital. By no means that we only spent \$300,000. But on this particular sheet, I only show what monies have been transferred out of the account. So, we have a number larger than that some of its ARPA such we're working through that right now to get the actual capital numbers in that \$300,000 on line 601 end of administration that first section. That is how much money the operating fund has sent to the capital fund for the for the capital expenditures is \$300,000 through the end of January. There are some monies that still need to be moved. Overall the administration is at 62.9% which is an excellent place to be going into the sewer services group and you can see each department does have maybe one or two small line items that are over budget. That's okay. Because obviously as a department and the sewer service that 69.3% We will definitely look at those as we get closer here to sitting down with budgets, making sure we get the right numbers on the right line. So, it's still you know, macro perspective for each department looks very strong this time of the year. A wastewater of course via karma payments that is always paid and up to date. Opening a page to Tech Services looking very, very strong at 68.7%. Lab services group 66.9%. So, you can see the department's all looks super similar from a breakdown perspective as you go through them dead we always amortize that as the year goes. So that

is at 75% and caught up. And then on the back page on page three, we've got the Public Works group for the finale of the expenditures at 70.1%. They are just a couple percentage points higher than the other departments, always keeping in mind that their major expenditures typically come in the winter months. So that is when they really put those salary expenditures and overtime into the budget but still almost five full percentage points below where they should be this time of year. So just couldn't be more pleased. Overall with expenditures at this point we are at 70.6% with you know three months left to go. So, I mean we are in a really good financial position from an expenditure side and the revenue side as we go down we are looking at, those of you who go to Budget Committee, you know how we talk about them and your sales taxes as an example. So, sales tax, you know when May comes, it's really sales tax still for March and then when it's due and it's still sales tax for April which gets accrued back to the previous fiscal year. In the Utility we always did it a little bit differently. But now we've decided after some conversations, the Assistant Comptroller and I that we will mimic that type of accounting, that accrual basis accounting within the revenues here. So, it doesn't really affect the industry industrial sewer because we are in charge of that type of billing we do that obviously as you know from Ryan, but when it comes to the auction, Aqua collection fees as we collect our residential from them as we collect our solid waste from them, you have to think that we don't get that money until halfway through the month and that is for the previous month. So, we're gonna have a little bit of a low here we are right now doing analysis and all those numbers to make sure that they're accurate. So, the numbers from here till probably next month might look a little different than they had before might look a little low like you're going to 60% That's kind of lower 75%. But remember, just like the other ones, we look at the general fund, come May there will be a whole other one that gets accrued back and then brings you up to speed so you always are going to have those 12 months. It's just when do you have the 12 months. So, I just want to make that that statement right now. So, I am not at all concerned about residential sewer or solid waste fees. This is just really an accounting practice change that we're doing. And then industrial sewer is super strong at 82%. This this far along in the year with our other pieces collected. So total revenue as of now is at 74.1%. So just as

just a hair underneath where we're supposed to be with some was some strong trends as Ryan alluded to with industrial sewer. We know there's going to be some changes but I feel strongly that we are holding our own very much so with where we are with that and we will be cautious with our predictions for the next year. As we sit down with those but feeling very good about where the utility is poised as of today.

OLD BUSINESS

MAYOR CURTIS:

So, are there any questions about the financials for Comptroller Kubal? Again, I echo her statements. I can't be more proud and happier with our Operations Managers, which are the departments that are really working within their budgets trying to keep the expenses down and it's working well. Right now, for us going forward and we need it this year more than ever. I thank you all. With that we're gonna go on to old business with an annual update., Zach is working with Neil and Sargent & Lundey. We've gotten back the underwater report, we've gotten back another report, but we're kind of waiting on now for them to do the overall analysis of where we're at for the hydro plant right now. I actually met with another engineering firm just on some topics and they had brought up a good point to consider something I hadn't thought about before but it's not just about the revenue that the hydro plant can bring in. We also got to think about the year the O&M or operations and maintenance of the facility to make sure we factor that into some expenses along with the income so I'm sure surgery Monday we'll figure that all out for us but there's a cost to operating the facility but we're still moving forward and we hope some time here hoping sooner or later here in the spring that we're going to have those estimates and reports back for yourself. Really no news report there Zach anything I'm missing there? Pretty much right? Okay. Alright. Item seven unfinished business. We have none. Item eight. The first item there is network switches bid results and recommendation to city council. This is something that was budgeted for when we about a year ago with the IT department. So, the switch is basically every building that we have within the city, whether it's this building, administration ESU, the fire stations the depot, they all have a switch there and basically, it's our communications for the entire city for internet and how we communicate with everything here. These switches

typically last about a 10-year period we're on about year 12 of these right now. So, we did go out for bid back in before

the first year. Once the low bid came in wait one to make sure that these switches were going to work accurately in our pharmacy feels comfortable with that now. This was something that we budgeted part of that you saw was missing that \$500,000 capital line item in ESU. This was part of that bid, we budgeted I think \$85,000 in the capitol line item and I should add this number here and it came in at 78,247.00. So, Wade is comfortable that the switches are exactly what we need. They'll get those installed. And so, we're looking for recommendation to send the approval of the 78,240.70 acceptance to city council tonight for approval. They should bias another 10 years. Switches according to Wade. It's well as things are not broken yet but we've gotten two extra years on them. But as you mentioned, we're kind of playing with fire right now that if they start to go out then our whole communication system throughout the city goes down. So, is there a recommendation to accept the bid of \$70,247.00 and move to the City Council for approval?

ALD PRUDE:

So move.

ALD JONES:

Second.

MAYOR CURTIS:

Motioned by Alderman rude and seconded by Alderman Jones. Are there any questions regarding the network switches? Alderwoman Johnson?

ALD JOHNSON:

So, this is not really in my wheelhouse. This doesn't include any of the software that we have talked about for like code in iPads, any of that?

MAYOR CURTIS:

This is what I call backroom stuff within the buildings here okay to make sure that our computers and our internet and everything are all talking to one another throughout the entire city. So, this is replacing these network switches at all the my understanding is basically every building that we have that we again fire stations to the police station to admin people everywhere. We have connections of anything that we own DPW down there. So, and hopefully we again wouldn't have to deal with this for some time well after 2033.

CLARA HALL:

Ald Lewis - Aye	Ald Swanson – Absent
Ald Prude –Aye	Ald Johnson – Aye
Ald O’Brien - Aye	Ald Jones – Aye
Ald Osenga - Absent	Clerk Gall- Aye
AYES: 5	NAYS: 0

MAYOR CURTIS:

You will see that on your packet tonight and city council. Brunette the full city council tonight. Next is Item D. This is a bid that just came in Tuesday. So, we've got it for recommendation from ESU but we're not bringing to city council tonight. We want to make sure you had time to look at this and it would be brought to city council on March 6. So, this is part of the to it as the old LaBeau brothers building but this is where ESU is at encode department the parking lot that is to the south of Codes entrance. If you've been there to where Code cars park and everything. This is all busted up basketball. It's almost basically a gravel. This is basically to fix that entire parking lot. Fences so that Zach and sewer services and other parts of the issue could keep their equipment in there from whether it's trailers or equipment to manhole covers. They can have that all in there. It'll be a nice black coated. Pass like we see that we did up by the entrance at the city at exit 312. It's redoing the entire parking lot. It's also sealcoating the front parking lot that is the entrances for the trucks for ASU and the entrance the code creating I believe four or five parking spots along with a sidewalk, and then heavy landscaping along the fence area out on Harrison Avenue so that it looks nicely when you're driving by and so basically trying to make the city look set the standard of how we want things to look. This was something that originally, we had placed if you look in your financials we had placed in this fiscal year under item 51.577 we'd budgeted \$90,000 towards this. Neil did the engineering and his estimate was going to cost as much as \$220,000 to do everything. We went up for bid and we got two bids back. The base bid from R&R was \$142,929.70 cents, significantly less than the engineers bid and Kankakee Valley construction of \$177,930.07. There is an alternate bid there and the alternate bid is where this asphalt is basically the alternative it is taking all the asphalt away with the fenced areas, taking it all the way down to the subsurface rock and everything, compacting that all down making sure everything is done with the sub service and then complete

re asphalt. If we did that the extra alternate bid was \$15,006.20 versus \$24,720. Which brings it up to a total of \$158,550.00 for the bid from R&R and to \$202,650. The engineers bid was \$220,000. Neil's recommendation is the \$158,550.00 he thought was an incredible bid price versus engineered estimate and we were expecting that it'd be \$90,000 this year \$90,000 and the next upcoming fiscal year, we're still gonna be at \$180,000.00 We're still weren't quite sure how we're gonna pay for the remaining amount. And talking with comptroller Kupol. We're pleasantly surprised, not one that not wanting to spend \$260,000 But to know that it came into that bar under what we thought that we wouldn't even have to budget \$90,000 in the upcoming year for this. We've just have to come up with the we'll call it the extra \$70,000 and then that basically from my understanding everything at LeBeau brothers building ESU site, my needs minus maybe some signage. Everything is then I think complete there. Comptroller Kubal, am I missing anything that you're aware of? I think we kind of come to a close where everything has been fixed. Except for I will say one last thing the parking lot across the street where the Code cars park and the employees park in the back area and those might need some parking lots really bad over there. That's not something we need to do today. We'll deal with it. But we might need to get to some sealcoating and some other things over by we'll call the ESU side but this basically gets the building where it needs to be what we're looking for. I'm gonna go off the recommendation letter from the engineer, but that \$15,000 alternate bid is a really good number to make sure we do it right that that asphalt will last for many, many years to come. And there won't be any we'll call it potential spidering or anything that happens from just kind of going halfway down and nail and overlaying it. So, looking for what the recommendation from this committee would be to bring to city council on March 6th to do this work and again, we would start to work this spring. We would use the \$90,000 in this fiscal year's budget that we budgeted for and then we would budget in the upcoming budget an additional \$70,000 to complete the work right after May 1st. So, is there a recommendation or a motion for recommendation to city council to accept the low bid of 150,515.20 cents from R&R Construction?

ALD O'BRIEN:

So move.

ALD LEWIS:

Second.

MAYOR CURTIS:

Motioned by Alderman O'Brien and seconded by Alderwoman Lewis. Are there any questions or comments? Hearing none, roll call

CLARA HALL:

Ald Lewis - Aye Ald Swanson – Absent
Ald Prude –Aye Ald Johnson – Aye
Ald O'Brien - Aye Ald Jones – Aye
Ald Osenga - Absent Clerk Gall- Abstain
AYES: 5 NAYS: 0 ABSTENTION:1

MAYOR CURTIS:

This will be you'll see this on the march 6 Our next city council meeting for approval by City Council. We do not have a need for an executive session tonight. So, is there any questions or comments? pretty routine meeting for ESU tonight nothing of major substance I will say that we did approve. Obviously at the last meeting the allocation for sewer lining repair and we also executed a contract for the flow meter study. There they want to get going ASAP because the rainy seasons coming here so we'll get those up. So, we can do that study over the next 90 days to see where some of our worst errors are in the city. So, for that so that's moving forward. And I don't know if I ever asked for the good of the order. Is there a motion to adjourn?

ADJOURNMENT

ALD LEWIS:

So move.

ALD JOHNSON:

Second.

MAYOR CURTIS:

Motioned by Alderwoman Lewis and Seconded by Alderwoman Johnson. All in favor?

ESU BOARD:

Aye.

MAYOR CURTIS:

Opposed? Thank you, everyone.